



INDIAN SCHOOL SOHAR
PREBOARD EXAM
BUSINESS STUDIES

Date:08.01.17
Class: XII

Total No of pages:4
Time: 3 hours
Max Marks:80

Instructions:

1. Answers to questions carrying 1 mark may be from one word to one sentence
2. Answers to questions carrying 3 marks may be from 50 to 75 words
3. Answers to questions carrying 4 marks may be about 150 words
4. Answers to questions carrying 6 marks may be about 200 words
5. Attempt all parts of a question together.

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1. What is meant by decoding an element of communication? **1**
 2. Name the organizational structure which helps in increasing managerial & operational efficiency. **1**
 3. What is meant by 'single use plan'? **1**
 4. Good Living Limited manufactures mosquito repellent tablets. These tablets are packed in strips of 12 tablets each. Each of these strips are packed in a cardboard box, 48 such boxes are then placed in a big corrugated box and delivered to various retailers for sale. State the purpose of packaging the tablets in a corrugated box. **1**
 5. Exploration Ltd is planning to raise an issue of 3,000 Non-Convertible debentures of face value of Rs.10 lakh aggregating to Rs.300 crore through private placement. Name the type of financial market being approached by the company. **1**
 6. Anitha is the marketing manager of 'Mahesh Ltd' a company providing dental care services in various parts of the country. Now, the company is planning to sell its dental care products online. Identify the type of distribution channel that the company plans to adopt. **1**
 7. Maruthi Vega Ltd entered into the market with colour television and have now introduced products like audio systems, air conditioners, washing machines, etc., The Company is not only offering products but also handling complaints and offering after-sales services. Identify the element of marketing mix discussed here. **1**
 8. Name the function which reviews the operations in a business unit. **1**

 9. Rohit often notices that whenever he gives any instructions to his personal assistant Subhash, he is not able to retain the information for a long time as most of the time he seems to be inattentive or not interested. In the context of the above case:
 - a. Identify the type and name of communication barrier which is adversely affecting the communication between Rohit and Subash.
 - b. Describe briefly two more barriers of the same type as identified in part (a) of the question. **3**

 10. Mrs Rajalakshmi is working as the Human Resource Consultant in a firm manufacturing cosmetic, which is facing a problem of high employee turnover. The CEO of the company has invited suggestions from her for retaining the talented employees and reducing the employee turnover. Mrs.Rajalakshmi recommends that the good employees be rewarded in a way that it creates a feeling of ownership among the employees and at the same times makes them contribute towards the growth of the organisation.

- (a) Identify the incentive and explain its type, which has been suggested by Mrs. Rajalakshmi to the CEO of the company.
- (b) Also explain any two other incentives of the same type. **3**
11. Why is the understanding of business environment important for managers? Explain with the help of any three points. **3**
12. Describe any three features of motivation. **3**
13. Guru purchased a pack of sweets for his son from a shop in the nearby market. After consuming those sweets, the condition of his son deteriorated and he had to be hospitalized. Later on through a laboratory test, it was certified that the sweets were adulterated.
- (a) State any one precaution that Guru should have taken while purchasing packed sweets.
- (b) Name the appropriate authority redressal agency that he can approach in case he decides to file a case against the shopkeeper.
- (c) State any two values which are lacking in the shopkeeper. **3**
14. "If anything goes wrong with the performance of Key activities, the entire organization suffers. Therefore the organization should focus on them". Explain the statement with a suitable example. **4**
15. Bhuvan inherited a very large area of agricultural land in Haryana after the death of his grandfather. He plans to sell this piece of land and use the money to set up a small scale paper factory to manufacture all kinds of stationery items from recycled paper. Being an amateur in business, he decides to consult his friend Subhash who works in a financial consultancy firm. Subhash helps him to prepare a blue print of his future business operations on the basis of sales forecast in next five years. Based on these estimates, he helps Bhuvan to assess the fixed and working capital requirements of business. In context of the above case:
- (a) Identify the type of financial service that Subhash has offered to Bhuvan
- (b) State any three points highlighting the importance of financial service identified in Para(a) **4**
16. Indian Drugs and Pharmaceuticals Ltd is engaged in the manufacturing and distribution of medicines. The company has set up an objective of increasing its sales turnover by 20%. To achieve this objective the company has decided to diversify into baby healthcare products. Since the company has already set its objectives and developed premises based on the same, it wants your help for the remaining steps to be taken in this process. Explain briefly these steps. **4**

17. Chennai Leather Ltd is the manufacturer of leather products. It is producing shoes on large scale and its organisational structure is functional. In the production department various foremen have been employed. Each foreman has been made responsible for production planning, implementation and control. This has led to a situation of confusion and uncertainty. Suggest a technique of scientific management of Chennai Leather Ltd which may help it to effectively organize planning and its execution. **4**

18. As per a World Bank report implementing the goods and services tax (GST) would create new opportunities and have a positive impact on business environment in India. "Goods and Services tax" is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India, to replace taxes levied by the central and state governments from 1st April 2017.it will help to increase productivity and raise efficiency levels in the logistics sector and the overall economy. As, it could lower logistics costs by a more than substantial 30 to 40%.This would lead to the growth of India's key manufacturing sectors. There will be an increase in their net sales by about 5% and will also be lead to job creation .In context of the above case:

- (a)Identify the two types of objectives that India's key manufacturing sectors will be able to realize with the implementation of GST.
- (b)Explain the term "opportunity" by quoting lines from the above paragraph.
- (c)Identify the related dimension of business environment. **4**

19. Energy drinks India Ltd have scanned a profitable opportunity for marketing of soft drinks with Indian traditional flavor. The company wants to market its products in India and in neighbouring 12 countries. A Board meeting of the company was held on 14.12.2015 wherein the marketing manager was asked to give a presentation to develop this market offering. For this it was also decided to set up its manufacturing unit in a village of Bihar. This will not only help in the development of the village but will also provide employment to the youth of that village. The marketing manager chooses a combination of variables to prepare its market offering. He used a set of marketing tools that firm will use to pursue its marketing objectives in the target market.

- (a)Name and state concept of marketing used by the marketing manager for creating its market offering.
- (b)Also explain briefly the various elements of this concept. **4**

20. Rakesh joins as a head librarian of a newly constructed medical college in Chennai. A team of four liabrarians is placed under him for the smooth functioning of the library. Besides, he has been assigned eight people as support service staff.On the second day of his joining, he was told get a shipment of new books unloaded, stock the bookshelves, and then get all waste (packaging, paper etc) disposed of within a week time.

In order to ensure orderliness and speed in the process of setting up of the library, he makes each of the four librarians in charge of five different subjects. Keeping in mind their competence and experience he decides to give them more authority so that they can make autonomous plans and assume the responsibility for the effective implementation of their decisions. In the context of the above case

(a) Identify and explain the concept used by Rakesh keeping in mind the competence and experience of other librarians

(b) Describe briefly any four advantages of using the concept identified in part (a) of the question. **5**

21. Rakesh is the production manager of Indi Fabrics Pvt Ltd., an organisation that promotes the sales of Indian Handloom and handicraft products while providing equitable employment to traditional artisans. Indi Fabrics Pvt Ltd sources its products from over 9000 craft persons and artisans across India. Recently, when Rakesh discovered that his team of designers had produced cushion covers that were more expensive than they had planned to sell, he decided to change the fabric to keep costs in check.

a. Identify the function of management being highlighted in the above paragraph.

b. State any four points of importance of the function of management as identified in part(a) of the question. **5**

22. Explain any five features of management. **5**

23. On being engaged, Arjun was eagerly looking for a 'Magic wand' which would help him to reduce weight in a short span of time. He came across an advertisement from the magazine of 'Splendot Ltd' a health centre offering a free subscription for 2 months of its gym on enrolling for a weight loss program for Rs.30,000 to lose 10 Kgs in two months. Arjun joined the program. Unfortunately, a month later he suffered from spine injury due to the negligence of the weight loss trainer and was advised bed rest for 3 months by the doctor. As a result, his marriage had to be postponed. Arjun is feeling angry about the whole issue and has decided to file a case against 'Splendot Ltd' In context of the case above:

a. Identify and explain the components of promotion mix being referred to in the above paragraph.

b. Name and explain the consumer right that Arjun plans to exercise.

c. Explain the right to choose and right to consumer education. **6**

24. What do you understand by money market? Explain the instrument of money market. **6**

25. Viyo Limited is a company manufacturing textiles. It has a share capital of Rs.60 lakhs. The earning per share in the previous year was Rs.0.50. For diversification, the company requires additional capital of Rs.40 lakhs. The company raised funds by issuing 10% debentures for the same. During the current year the company earned a profit of Rs.8 lakhs on capital employed. It paid tax @ 40%.

a. State whether the shareholders gained or lost, in respect of earning per share on diversification. Show your calculations clearly.

b. Also state any three factors that favour the issue of debentures by the company as part of its capital structure. **6**